

REFERENCE TITLE: insurance; rate filing date

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2146

Introduced by
Representative McLain

AN ACT

AMENDING SECTIONS 20-357 AND 20-359, ARIZONA REVISED STATUTES; RELATING TO INSURANCE RATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 20-357, Arizona Revised Statutes, is amended to
3 read:

4 20-357. Filing of rating system: definition

5 A. Every insurer shall file with the director the rating systems the
6 insurer proposes to use. As used in the rate regulatory provisions of this
7 article, "rating systems" includes every manual of classifications, rules and
8 rates, every rating plan and every modification of any of the foregoing.
9 Every filing shall have a proposed effective date and shall indicate the
10 character and extent of the coverage contemplated. If a filing does not
11 include the information on which the insurer supports the filing, and the
12 director does not have sufficient information to determine whether the filing
13 meets the rate regulatory requirements of this article, the director shall
14 require the insurer to furnish information supporting the filing. The
15 supporting information may include the experience or judgment of the insurer
16 or rating organization making the filing, its interpretation of any
17 statistical data on which it relies, the experience of other insurers or
18 rating organizations or any other relevant factors. A filing and any
19 supporting information shall be open to public inspection after the filing
20 becomes effective.

21 B. A workers' compensation insurer shall satisfy its obligation to
22 make filings by becoming a member of a licensed rating organization that
23 makes filings and by authorizing the director to accept on its behalf filings
24 made by the rating organization. A rating organization shall annually file
25 with the director rates to be effective on ~~October~~ JANUARY 1. Nothing in
26 this subsection requires an insurer to be a member of the designated rating
27 organization.

28 C. Each filing shall be on file for a waiting period of at least
29 thirty days before it becomes effective. On written application by the
30 insurer or rating organization making the filing, the director may authorize
31 a filing to become effective before the waiting period expires.

32 D. On written application of the insured that states the insured's
33 reasons and that is filed with and approved by the director, an insurer may
34 use a rate in excess of the insurer's filed rate on the insured's risk.

35 E. An insurer shall not make or issue a contract or policy except in
36 accordance with the filings in effect for that insurer as provided in the
37 rate regulatory provisions of this article.

38 Sec. 2. Section 20-359, Arizona Revised Statutes, is amended to read:
39 20-359. Deviations from filed workers' compensation rates

40 A. Every insurer shall adhere to the filings made by the rating
41 organization of which it is a member, except that any member insurer may file
42 with the director:

43 1. A uniform percentage decrease or increase to be applied to the
44 statewide rate portion of the rating organization's rate filing.

1 2. A subclassification rate related rule that deviates from the rules
2 or schedule rating plan filed by the insurer's rating organization. An
3 insurer shall not apply a deviation and a schedule rating plan within the
4 same insurance company.

5 B. Each deviation filed shall be on file with the director for a
6 waiting period of at least thirty days before it becomes effective. On
7 written application by the insurer making the filing, the director may
8 authorize a filing to become effective before the waiting period expires. A
9 deviation that is filed pursuant to subsection A, paragraph 1 of this section
10 and that is not disapproved by the director expires the following ~~September~~
11 30 DECEMBER 31 at midnight in this state unless the director terminates the
12 deviation sooner. A deviation that is filed pursuant to subsection A,
13 paragraph 2 of this section continues until the insurer withdraws the
14 deviation or the director determines that the deviation no longer meets the
15 standards prescribed in section 20-356, paragraph 1. At any time the
16 director may require an insurer to actuarially support a deviation. The
17 insurer that files the deviation shall simultaneously send a copy of the
18 filing to the rating organization of which it is a member and to any
19 designated rating organization.

20 C. A rating organization shall notify the director if the organization
21 disapproves any deviation relating to workers' compensation insurance. The
22 director shall notify the industrial commission of the disapproval within ten
23 days of receipt of the disapproval from the rating organization.